Government Subsidy

The farmer's premium has been reduced by government subsidy. The Federal Government pays for 50% of the premium cost. The Provincial Government pays all the administrative cost. As a result, the actual cost to the farmer is considerably less than ½ of what the program would cost without subsidy.

Preplant Insurance Coverage

The insurance plans protect your crop from the time it is planted until it is harvested. Preplant insurance provides compensation to cover your preplant input costs — if weather prevents you from planting or seeding.

Here's how it works:

— At application or renewal time you chose the preplant option along with your regular insurance.

— You pay $1.00 per acre deposit on the regular premium for all the acres you intend to put into spring-seeded crops.

— Plant or seed your spring crops in the normal manner and insure the acreage you get in. The $1.00 per acre deposit is applied to the appropriate premium due for the acres you get planted.

The cost of this benefit is covered in the regular premium cost of the crops you insure plus a charge of $2.00/a.c. on unseeded acres. If some of your acreage remains unseeded because of an insured peril, you would have a claim — subject to a 3-acre minimum.

Note:
Acreage not qualifying for preplant insurance includes sod fields not plowed by May 1, woodlots, orchards, fall sown land, acreage intended for summer fallow, acreage that was not in crop the previous year and has not been tilled, or acreage otherwise declared unacceptable by The Commission.

Preplant Indemnity:
The amount paid in the event of a claim depends on your own production record for your operation. It will be between $9.00 per acre and $36.00 per acre depending on your production guarantee — the higher the production guranteee, the higher the payment.

Total Acreage Insured

To cover any one crop (e.g. corn) you must insure all the acres that you grow of that crop. However, you may insure only one of several crops if you wish. For example, most farmers who grow corn and spring grain choose to insure both crops. It is permissible, though, to insure only the corn and not the spring grain.

Special Features

Many of the crop plans have features special to a particular crop. Some of these are:

— winter-kill reseeding benefit for winter wheat

— pick and moisture factors for white and coloured beans

— quality factor for winter wheat

— protection for both grain and silage in corn

Check with your local Crop Insurance Agent for any special feature that may apply to the crop you wish to insure.

Credit Protection

Crop Insurance can be used as security on crop production loans. You can assign your right to indemnity to a second party. Just let us know and we will send confirmation of your assignment of interest to the other party involved.

Claims Settlement

Crop Insurance provides you with indemnity against losses due to natural hazards you cannot control. In the event of a claim, you simply notify The Commission or your agent. Trained representatives are located across the Province to give fast, individual attention to each crop.

Deadline for Application

Applications and renewals for spring crops must be in the hands of your Crop Insurance Agent by **May 1**. For winter wheat the date is October 20.

Where to Apply for Insurance

Trained Agents are located in every community. If you don't already know your local Agent, call your local Agricultural office — or write:

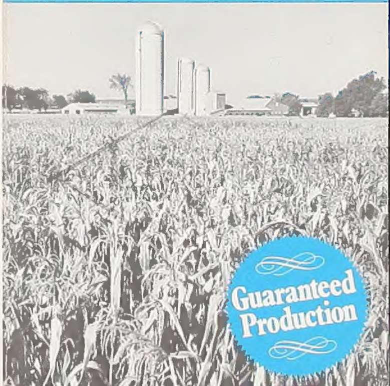
The Crop Insurance Commission of Ontario
Legislative Buildings, Toronto, Ontario M7A 1B7
Phone: (416) 965-1811

Revised Spring 1978

Ontario

Crop Insurance

Comprehensive insurance against the natural hazards you cannot control



Ontario

Crop insurance

Your crop production guarantee to cover your input costs.

A Production Guarantee Plan
Growing crops is big business — and it's good business to insure against losses due to natural causes beyond your control.

Crop Insurance will guarantee you a certain level of production from your farm. If your actual production is less than your guarantee you would have a claim for the difference. The value of this claim depends on the price option you choose.

Insured Perils
Crop Insurance offers protection from most of the natural hazards you cannot control: hail, wind, frost, flood, drought, insect infestation and disease. In addition, some perils specific to some crops are covered in the individual plans, such as excessive moisture causing sprouting in wheat.

A Separate Plan for Each Crop
Each individual insured crop has a plan specific to that crop. In that way the characteristics unique to each crop, such as yield levels or prices, may be accommodated. By having a plan for each crop and insuring each crop separately you could have a claim on one crop even though the production on another insured crop is above the guarantee.

Most Crops are Covered
At the present time there are insurance plans for the following general crops: corn (grain and/or silage), spring grain (oats, barley, mixed grain, spring wheat), soybeans, white beans, coloured beans, flax, new forage seeding, and winter wheat.

Individual "Average Farm Yield"
Crop Insurance gives you insurance tailored to you and your individual farm. The amount of coverage you can buy is based on your own average farm yield.
Of course, the first year you take out crop insurance, no records are available to use in figuring your average yield. Instead, your "beginning average farm yield" is based on an area average — with an allowance for good management practice. It's recognized that management varies from farm to farm so that your beginning average farm yield may be higher or lower than the area average.
After the first year, your annual yields are recorded and averaged with your "beginning average farm yield" to establish revised average farm yields. After five years, only your actual production records determine your average farm yield.
This yield is determined for each crop; in bushels for corn, wheat and soybeans, and in pounds for other crops like white beans or spring grain.

For example:

A farmer insuring his corn crop for the first time had his beginning average farm yield set at 70 bu./ac.

1st YEAR AVERAGE FARM YIELD = 70 bu./ac.
His actual production that first year was 90 bu./ac.

For his second year in the corn program his average farm yield was adjusted by calculating a five-year average based on his one year's actual production of 90 bu./ac. and four years of his beginning average at 70 bu./ac.

$$\text{2nd YEAR AVERAGE FARM YIELD} = \frac{90 + (4 \times 70)}{5} = \frac{90 + 280}{5} = \frac{370}{5} = 74 \text{ bu./ac.}$$

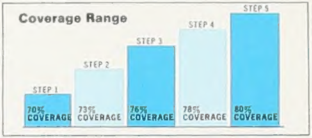
His actual production for the second year was 50 bu./ac.

For his third year in the corn program his two years' actual production were averaged with 3 years at his beginning average to establish his latest average farm yield.

$$\text{3rd YEAR AVERAGE FARM YIELD} = \frac{90+50+(3 \times 70)}{5} = \frac{90+50+210}{5} = \frac{350}{5} = 70 \text{ bu./ac.}$$

His average farm yields for following years would be adjusted in the same way — so after five years his own actual production records would determine his average farm yield.

Production Guarantee
Crop Insurance guarantees you a percentage of your average farm yield. The first year you carry crop insurance you are guaranteed 70% of your average farm yield. Each year thereafter your coverage moves up a step if you do not have a claim, or stays at the same step if a claim is less than the premium paid for that crop that year, or down a step if you have a claim that exceeds the premium paid. The size of each step is shown in the following chart. Your coverage can increase to 80%, but will never be less than 70% of your average farm yield.



If your actual production falls below your production guarantee, you have a claim for the difference.

From the previous corn example:

Average farm yield	70 bu./ac. for 100 acres
Production guarantee	76%

The guarantee for the farm is:
76% of 70 bu./ac. = 53.2 bu./ac. for 100 acres
= 5320 bushels.

Suppose actual production is only 4,000 bushels, then the claim would be
5320 bu. — 4000 bu. = 1320 bushels.

This claim would be paid off at the established price per bushel chosen.

Reseeding Benefit
On many crops, if it is necessary to reseed 3 or more acres because of an insured peril, you will be paid the reseeding benefit of $15.00 per acre. This benefit will be paid whether you reseed to the same crop or any other crop. If you reseed to corn, your insurance will continue on the total acres you have in corn. If you reseed to a different crop it will be insured as well, provided that application for insurance on that crop was made by May 1.

Price Options and Premium Rates
You may choose the price option that suits your own needs. The amount of insurance protection you get is determined by the price per bushel coverage you select; for the average farm yield you have; at the percentage guarantee your production record has earned.

The price option is chosen at the time of application or renewal. *For the details on the specific price options and farmer premiums that apply to each crop,ask for the rate card.*

Generally speaking, each crop has a top established price option that approximately equals the market price. In addition, lower price options are offered for the farmer who wishes to cover only some of his costs.